

LOW INCOME PERCENT FORMULA FOR FISCAL YEAR 2004/05

(Annual Financial Disclosure Report Submitted on 2002)

$$\text{Low Income Percent} = (\text{Medicaid Fraction}) + (\text{Charity Fraction})$$

Medicaid Fraction¹

$$\text{Medicaid} = 100 \left[\frac{\left(\frac{\text{Medi-Cal paid}}{\text{patient revenue}} \right) + \left(\frac{\text{Total cash subsidies from state and local governments}}{\text{Total paid patient revenue}} \right)}{\text{Total paid patient revenue}} \right]$$

Where,

$$\text{Medi-Cal paid Patient Revenue} = \left(\frac{\text{Medi-Cal net patient revenue}}{\text{(L1246005)}} \right) + \left(\frac{\text{Medi-Cal Short/Doyle net patient revenue}^2}{\text{net patient revenue}^2} \right) - \left| \frac{\text{Disproportionate share payments}}{\text{(L1242605)}} \right| + \left(\frac{\text{Medi-Cal managed care net patient revenue}}{\text{(L1246007)}} \right)$$

$$\begin{array}{l} \text{Total Cash Subsidies} \\ \text{From State and} \\ \text{Local Governments} \end{array} = \begin{array}{l} \text{U.C. gross clinical} \\ \text{teaching support} \\ \text{(L1244523)} \end{array} + \left(\frac{\text{County indigent program net patient revenue}}{\text{(L1246009 + L1246010)}} \right) + \left(\frac{\text{County Indigent Program managed care net patient}}{\text{(L1246011)}} \right)$$

$$\begin{array}{l} \text{Total Paid} \\ \text{Patient Revenue} \end{array} = \left(\frac{\text{Total net patient revenue}}{\text{(L0811001)}} \right) - \left| \frac{\text{Disproportionate share payments}}{\text{(L1242605)}} \right|$$

1. Unless otherwise noted, all data comes from the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2002.
2. From the Medi-Cal Short/Doyle paid claims files for calendar year of service 2002 with dates of payment through February 2004.

Charity Fraction^{1,2}

$$\text{Charity} = 100 \left[\frac{\left(\begin{array}{c} \text{Total other} \\ \text{inpatient charity} \end{array} \right) - \left(\begin{array}{c} \text{Inpatient portion of total cash subsidies} \\ \text{from state and local governments} \end{array} \right)}{\text{Gross inpatient revenue} \\ \text{(L1241521)}} \right]$$

Where,

$$\begin{aligned}
\text{Total Other Inpatient Charity} = & \left(\begin{array}{c} \text{County indigent} \\ \text{program gross} \\ \text{inpatient revenue} \\ \text{(L1241509)} \end{array} \right) + \left(\begin{array}{c} \text{County Indigent Program} \\ \text{managed care gross} \\ \text{inpatient revenue} \\ \text{(L1241511)} \end{array} \right) - \left(\begin{array}{c} \text{County indigent} \\ \text{program gross} \\ \text{inpatient charity} \\ \text{(L1243009)} \end{array} \right) - \left(\begin{array}{c} \text{Inpatient} \\ \text{County Indigent Program managed} \\ \text{care Patient Charity} \\ \text{L1243011 x B *} \end{array} \right) + \left(\begin{array}{c} \text{Gross} \\ \text{inpatient} \\ \text{charity} \end{array} \right) \\
& - \left(\begin{array}{c} \text{Gross inpatient} \\ \text{charity} \\ \hline \text{Gross patient} \\ \text{charity} \\ \text{(L1243023)} \end{array} \right) \left(\begin{array}{c} \text{Hill Burton} \\ \text{gross patient} \\ \text{charity} \\ \text{(L0835001)} \end{array} \right) + \left(\begin{array}{c} \text{U.C. gross} \\ \text{inpatient teaching} \\ \text{allowances} \\ \text{(L1244019)} \end{array} \right) + \left(\begin{array}{c} \text{U.C. gross} \\ \text{inpatient clinical} \\ \text{teaching support} \\ \text{(L1244519)} \end{array} \right)
\end{aligned}$$

Where,

$$\begin{aligned}
\text{Gross Inpatient Charity} = & \left(\begin{array}{c} \text{Non-Medi-Cal gross} \\ \text{inpatient charity} \\ \text{(L1243001 + L1243009} \\ \text{+ L1243013 + L1243019)} \end{array} \right) + \left(\begin{array}{c} \text{Inpatient} \\ \text{Non – Medi – Cal Managed} \\ \text{Care Gross Patient Charity} \\ \text{L1243003 x A *} \\ \text{+ L1243011 x B *} \\ \text{+ L1243015 x C *} \end{array} \right) + \left(\begin{array}{c} \text{Other Indigent} \\ \text{Gross inpatient} \\ \text{Charity} \\ \text{(L1243017)} \end{array} \right) + \\
& \left(\begin{array}{c} \text{Medi-Cal gross} \\ \text{inpatient revenue} \\ \text{(L1241505)} \\ \hline \text{Medi-Cal gross} \\ \text{patient revenue} \\ \text{(L1241505 + L1241506)} \end{array} \right) \left(\begin{array}{c} \text{Medi-Cal gross} \\ \text{patient charity} \\ \text{(L1243005)} \end{array} \right) + \left(\begin{array}{c} \text{Inpatient Medi – Cal} \\ \text{managed Care gross} \\ \text{Patient Charity} \\ \text{L1243007 x D *} \end{array} \right)
\end{aligned}$$

1. If Charity is less than zero then Charity = 0.
2. Unless otherwise noted, all data comes from the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2002.

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Inpatient Portion of Total Cash Subsidies from State = and Local Governments	U.C. gross inpatient clinical teaching support (L1244519)	+	$\left(\begin{array}{c} \text{County indigent program} \\ \text{net inpatient revenue} \\ \text{(L1246009)} \end{array} \right)$	+	$\left(\begin{array}{c} \text{Inpatient} \\ \text{County Indigent Program} \\ \text{Managed Care Net} \\ \text{Patient Revenue} \\ \text{L1246011 x B}^* \end{array} \right)$
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*Inpatient ratio as follows:

A = L1241503/(L1241503 + L1241504) (Medicare Managed Care)

B = L1241511/(L1241511 + 1241512) (County Indigent Managed Care)

C = L1241515/(L1241515 + L1241516) (Other 3rd Party Managed Care)

D = L1241507/(L1241507 + L1241508) (Medi-Cal Managed Care)

Medical Policy Division
Disproportionate Share Unit
July 27, 2005